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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/23/15

SPONSOR O'Neill LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Physical Rehab Cost-Sharing Limits SB 359

ANALYST Hanika-Ortiz

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY14	FY15	FY16	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>			Minimal			

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Public School Insurance Authority (PSIA)  
Office of the Superintendent of Insurance (OSI)  
Human Services Department (HSD)

#### Responses Not Received From

General Services Department

### SUMMARY

#### Synopsis of Bill

Senate Bill 359 (SB 359) amends sections of the Health Purchasing Care Act, the New Mexico Insurance Code, the Health Maintenance Organization Law, and the Nonprofit Health Care Plan Law to establish limits on cost sharing for physical rehabilitation services.

### FISCAL IMPLICATIONS

The bill provides that health care insurers or plans shall not impose a copayment or coinsurance on physical rehabilitation services that exceeds the lesser of:

- (1) the copayment or coinsurance imposed for specialist services; or
- (2) 120 percent of the copayment or coinsurance amount for primary care services.

NMPSIA reports that its copy structure is \$20 for primary care, \$30 for a specialist, and \$30 for physical therapy and the fiscal impact, if any, would be minimal.

The bill does not affect how many visits are allowed or prior authorization requirements. The bill only affects the commercial side of Medicaid managed care organizations (MCOs) and does not extend to the MCOs' role as Medicaid managed care organizations.

### **SIGNIFICANT ISSUES**

SB 359 adds statutory language to various sections of law to set limits insurance carriers can charge their covered members for coinsurance/copayments for physical rehabilitative services.

The bill defines “physical rehabilitation services” as services maximizing an individual’s level of function or returning to a prior level of function provided by a licensed physical therapist, occupational therapist or chiropractic physician or other person licensed to provide this service.

The bill defines “primary care services” as basic health care for an individual’s health needs.

### **ADMINISTRATIVE IMPLICATIONS**

The bill extends to all fully insured individual and group plans in New Mexico as well as public entities in the Interagency Benefits Advisory Committee (Public School Insurance Authority, General Services Department, Albuquerque Public Schools and Retiree Health Care Authority).

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

If rehabilitative therapy costs are excessive, there is a greater likelihood of foregoing treatment.

AHO/bb